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DON STENBERG

January 23, 2002

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PROBRAL COMMUNICATIONS COMMISSION OF THE BECRETIVE

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Mr. Michael K. Powell, Chairman Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Dear Mr. Powell:

I am writing to ask that the Federal Communications Commission give due and careful consideration to the pending merger of EchoStar Communications (DISH Network) and Hughes Electronics (DirecTV). This is an important step in the pay television industry and important to Nebraska.

The merger between America's two largest satellite television providers can be a benefit to our citizens as consumers if their interests are addressed and safeguarded in the merger. It is my hope that you will evaluate the benefits of the merger on their merits and adopt a plan that ensures competition in the pay television industry as a whole and protects those subscribers with no pay television alternatives.

There are approximately 137,000 households in Nebraska that subscribe to pay television from satellite providers, primarily DISH Network and DirecTV. While many of these customers have cable television as a competitive option for service (and will have after the merger), many do not. In some of our cities and rural areas, satellite-based pay television is the only option.

In order for all consumers to continue to receive the benefits of competition in the pay television industry, it is vital that the merged EchoStar entity price their services, as they do now, on a <u>nationwide pricing basis</u>. In so doing, consumers will benefit from the satellite-based television prices that are determined by taking into consideration the extensive competition that exists in most parts of the country.

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The potential benefits of the proposed merger, such as enhanced services and more local station broadcasts, are considerable. They should be intensively evaluated along with a nationwide pricing model that will help ensure competitive prices in rural states like Nebraska.

Thank you for considering my views as they relate to the pending merger.

Yours truly,

DON STENBERG

Nebraska Attorney General

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